

Telecommunications Industry Profile

Background

Washington state is both a pioneer and a leader in the telecommunications sector. To provide some context regarding the growth of this sector in the state, Craig McCaw created McCaw Cellular in the early 1990s and became a leading pioneer in the wireless field.

Since then, the company and industry has changed significantly. In 1994, AT&T acquired McCaw Cellular and it was assimilated into AT&T. During this past year, AT&T Wireless broke off from its parent company, AT&T, and headquartered itself in Redmond in July of 2001. AT&T Wireless is the third largest phone carrier in the country behind Verizon and Cingular and is also the third largest Northwest company by market capitalization behind Microsoft and Boeing.

VoiceStream Wireless has also been another major player in the telecommunications sector headquartered in Washington state. In 2001, however, VoiceStream Wireless merged with a German telecommunications company, Deutsche Telekom, but is still based in the state.

In addition to being a leader in the telecommunications services sector, Washington is also a major producer of manufacturing telecommunications equipment. Telect, Inc., based in Spokane, is a leader and exporter in this area and has several overseas manufacturing operations as well.

Telecommunications is also a dominant employment sector, employing approximately 10.6% of the technology sector in the state. There are currently close to 180 telecommunications related equipment and service providers based in Washington state.

(Source: Washington Technology Center and Washington Manufacturers Directory).

Exports

It is difficult to accurately measure exports for telecommunications services since they are not included in official export statistics. However, the magnitude of the impact of AT & T Wireless, VoiceStream Wireless, and other leading service providers generates substantial revenue for our state.

One the equipment sector side, Washington state exported \$347.1 million in 2001 to overseas markets. Telecommunications and related equipment is a primary export sector for Japan, Canada, the United Kingdom, and Korea

(Source: MISER statistics, 2001).

Leading Companies in This Sector

- AT & T Wireless Group
- VoiceStream Wireless
- Western Wireless Corporation
- Electric Lightwave, Inc.
- Illuminet Holdings, Inc.
- Nextel Partners, Inc.
- Metawave Communications Corporation
- Vixel Corporation
- Telect, Inc.
- Avista Communications, Inc.

(Source: Puget Sound Business Journal Book of Lists and Washington CEO, 2002).